No. 93-1577

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In the Supreme Court of the United States

OCTOBER TERM, 1994

QUALITEX COMPANY, PETITIONER

v.

JACOBSON PRODUCTS CO., INC.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE SUPPORTING PETITIONER

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QUESTION PRESENTED

Whether a color alone may be protected as a registered trademark under the Lanham Act.

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INTEREST OF THE UNITED STATES

This case presents the question whether the Lanham Act, 15 U.S.C. 1051-1127, authorizes the registration of color alone as a trademark with the Patent and Trademark Office (PTO), a component of the United States Department of Commerce. The United States has a substantial interest in the resolution of that question, because it is the PTO that must in the first instance determine whether a "word, name, symbol, or device," 15 U.S.C. 1127, is registrable as a trademark. The United States also has an interest in protecting the pro-competitive policies of both the trademark and the antitrust laws. In addition, the United States has an interest in the question presented because the United States must address the proper protection afforded trademarks in international treaty negotiations. The United States has advocated in

such negotiations that other countries recognize that color per se may function as a trademark.

STATEMENT

1. In 1957, petitioner began manufacturing and selling pads with a "unique green-gold color" for use on dry cleaning presses. In 1989, respondent began manufacturing and marketing press pads with the same green-gold color. Pet. App. 2a.

In March 1990, petitioner filed this action in federal district court, alleging that respondent infringed petitioner's trade dress and that respondent "passed off" its goods as those of petitioner, in violation of Section 43(a) of the Lanham Act, 15 U.S.C. 1125(a). While the suit was pending, petitioner obtained Trademark Registration No. 1,633,711 for a green-gold color as applied to press pads for use in the dry cleaning industry.[1] Petitioner filed a supplemental complaint, which added the claim that respondent infringed that trademark, in violation of Section 32(1) of the Lanham Act, 15 U.S.C. 1114(1). Respondent counterclaimed for a declaratory judgment that petitioner's trademark was invalid on the ground that a trademark could not be granted for color alone and that, even if such a trademark could in some instances be granted, it should not have been granted to petitioner for the green-gold color. Pet. App. 2a-4a.

2. After a bench trial, the district court entered judgment for petitioner on its claims of trademark infringement and unfair competition and ruled against respondent's counterclaim for cancellation of the trademark. Pet. App. 30a-31a. The court awarded damages in the amount of $8,208 to petitioner and enjoined respondent from "manufacturing, marketing or selling press pads made of any fabric using the same green-gold color * * * or so

[1] The PTO presently has pending an administrative proceeding involving petitioner's registration. That proceeding is currently suspended, because of the pendency of this case. *Jacobson Prods. Co.* v. *Qualitex Co.*, Cancellation No. 19,712.

close to said color that it cannot be easily distinguished from * * * [petitioner's] color by the casual user." Pet. App. 31a.

With respect to the trademark infringement claim and the cancellation counterclaim, the court found that petitioner had spent substantial sums advertising the color of its press pads since 1960, and that the color had "acquired distinctiveness or secondary meaning." Pet. App. 17a. The court also found that respondent had "intentionally copied the overall look of [petitioner's] green-gold press pad," Pet. App. 20a, and that, based on anecdotal evidence and a survey conducted by petitioner, respondent's use of the green-gold color "has created the likelihood of confusion, deception or mistake in the marketplace," Pet. App. 21a. Finally, the court found that the green-gold color was non-functional. It is not the natural color of the yarn used to make the press pad, it "does not make the press pad perform better," and it "is more expensive than other colors." Pet. App. 22a. In addition, "there is no danger of 'color depletion.'" Pet. App. 24a. The court found that "[t]here are hundreds or thousands of distinctive shades of greens, yellow, blues, and browns or tans available to the competitors without danger that recognizing [petitioner's] trademark will hinder competition." *Ibid.*

3. The Ninth Circuit reversed the district court's finding of trademark infringement, affirmed its finding of unfair competition, and ordered cancellation of Qualitex's registered mark. Pet. App. 1a-14a. With respect to the trademark infringement claim and cancellation counterclaim, the court based its ruling on the principle that "a trademark should not be registered for color alone." Pet. App. 7a. The court recognized that "[r]egistration of mere color is not explicitly barred by the Lanham Act." Pet. App. 5a. But, the court concluded, "the better rule" is that color per se is not registrable. Pet. App. 7a. The court based its decision on (1) the "color depletion" theory, under which registration of colors threatens to

close the market if primary colors or other available colors all become unavailable to new competitors; (2) the contention that "[d]rawing distinctions between close shades of color could present unnecessary problems"; and (3) the contention that "[a]dequate protection is available when color is combined in distinctive patterns or designs or combined in distinctive logos." *Ibid.*

The court of appeals noted that its decision conflicted with recent decisions of the Federal and Eighth Circuits holding that color alone could be a trademark, see *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985); *Master Distributors, Inc.* v. *Pako Corp.*, 986 F.2d 219 (8th Cir. 1993), but that its decision was consistent with the Seventh Circuit's recent decision in *NutraSweet Co.* v. *Stadt Corp.*, 917 F.2d 1024 (1990), cert. denied, 499 U.S. 983 (1991). Pet. App. 6a-7a.

SUMMARY OF ARGUMENT

The definition of a trademark under the Lanham Act broadly encompasses "any word, name, symbol, or device * * * used * * * to identify and distinguish" a seller's products "and to indicate the source of the goods." 15 U.S.C. 1127. That provision imposes no limit on what kind of product feature can be subject to trademark protection, provided the feature can serve the function of identifying the source of a product. Accordingly, where it is demonstrated that color serves, in a given use, as a symbol or device that identifies the source of a product, the color satisfies the Lanham Act definition.

The Ninth Circuit's policy arguments concerning color depletion do not provide a basis for recognizing an extra-statutory exception to the Lanham Act's coverage. To be sure, where a particular use of color is "functional," such as where its use as ornamentation increases the utility or appeal of a product or where there is danger that the available colors for that product would be depleted, protection could not be granted under ordinary trademark

principles. But that fact does not entail denying trademark protection to color in all circumstances, even when —as in this case—the use of a color to identify the source of a product satisfies a careful application of the ordinary prerequisites for trademark protection.

Nor do the Ninth Circuit's concerns about the possibility of shade confusion and the Ninth Circuit's recognition of the availability of other protection under the unfair competition provisions of the Lanham Act provide a basis for a rule categorically refusing trademark protection for color. Differentiating among shades to determine whether a use of color has infringed a color trademark is in principle no more difficult than determining whether a use of other kinds of symbols or devices that have some resemblance to a particular trademark is infringing. The fact that unfair competition protection may be available provides no basis for altering Congress's determination to provide for overlapping, distinct forms of protection for trademarks under the unfair competition and trademark provisions of the Lanham Act.

Finally, insofar as any ambiguity remains, the PTO's determination that color may be registered as a trademark is entitled to deference. Congress has expressly delegated authority to the Commissioner of Patents and Trademarks to register trademarks and to administer the Lanham Act. The PTO, which has considerable expertise in this area, has interpreted the Lanham Act to authorize registration of color per se where it serves as a trademark and does not deprive competitors of any reasonable right or competitive need. That interpretation is reasonable and consistent with the statute, and it should be given deference by reviewing courts.

ARGUMENT

COLOR ALONE MAY BE PROTECTED AS A TRADEMARK, SO LONG AS THE LEGAL PREREQUISITES TO SUCH PROTECTION ARE SATISFIED

A. Color Per Se May Satisfy All Of The Lanham Act's Requirements For Trademark Protection

1. Although the Ninth Circuit ultimately held that a color alone may not be the subject of a trademark, it correctly held that "[r]egistration of mere color is not explicitly barred by the Lanham Act." Pet. App. 5a. A single color may satisfy the Lanham Act's definition of a "trademark," and a color need not be excluded by any of the specific exceptions to registrability in Section 2 of the Act, 15 U.S.C. 1052.

Under Section 45 of the Lanham Act, the term "trademark" is defined to

> include[] any word, name, symbol, or device, or any combination thereof—
>
> (1) used by a person, or
>
> (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,
>
> to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

15 U.S.C. 1127.

That definition is very broad. The initial portion of the definition—"word, name, symbol, or device"—does not limit the definition at all, and we are aware of no case construing those terms to exclude a product feature for which a seller sought trademark protection.[2] It is the

[2] The present definition of a trademark is similar to the Lanham Act's original definition, which provided that "[t]he term 'trademark' includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others." Lanham Act of 1946, ch. 540, § 45, 60 Stat. 443. The only difference is that the original definition was limited to marks that were actually used on the goods, while the present definition, adopted in 1988, includes marks that a person has a bona fide intent to use in commerce. See Trademark Law Revision Act of 1988, Pub. L. No. 100-667, Tit. I, § 134(3), 102 Stat. 3947. The predecessor to the Lanham Act included no comparable definition of "trademark." See pp. 21-22, *infra*.

function of a feature in distinguishing a product and indicating its source, rather than the nature of the feature, that determines whether it may be subject to trademark protection. Cf. *In re Kotzin*, 276 F.2d 411, 414-415 (C.C.P.A. 1960) (definition not "intended to restrict registrable trademarks" in view of use of the term "includes" in definition).

The terms "symbol" and "device" are particularly broad. A leading dictionary defines "symbol" as "something used for or regarded as representing something else." *The Random House Dictionary of the English Language* 1926 (2d ed. 1987).[3] A color may easily satisfy that definition, for colors frequently stand for or represent other things. Familiar examples would include the color green as representing Ireland; the color white when used on a flag, banner, or cloth as a symbol of non-belligerence or truce; and the colors red and green in a traffic signal representing "stop" and "go." The term "device" is defined even more broadly as "a thing made for a particular purpose." *Id.* at 543.[4] A color alone may qualify as either a "symbol" or "device." See *Kotzin*, 276 F.2d at

[3] Another leading dictionary defines "symbol" as "something that stands for or suggests something else by reason of relationship, association, convention, or accidental but not intentional resemblance." *Webster's Third New International Dictionary* 2316 (1986).

[4] *Webster's Third New International Dictionary* defines "device" as "something that is formed or formulated by design." *Id.* at 618.

415 (mere location of tag on a garment may be "a symbol or device or a combination thereof").

A color may also qualify under the balance of the statutory definition. Prior to the Lanham Act, statutory protection of trademarks extended only to "technical" common law trademarks—*i.e.*, trademarks that are "inherently distinctive" and thus have no descriptive content.[5] But the broad definition incorporated into the Act requires only that what is sought to be registered serve "to identify and distinguish [a person's] goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown." 15 U.S.C. 1127. Virtually any product feature can satisfy that definition, including entire product designs and packaging. See, *e.g., In re World's Finest Chocolate, Inc.*, 474 F.2d 1012 (C.C.P.A. 1973) (shape of wrapped candy bar); *In re Minnesota Mining & Mfg. Co.*, 335 F.2d 836 (C.C.P.A. 1964) (triangular shape of chemical); *In re Mogen David Wine Corp.*, 328 F.2d 925 (C.C.P.A. 1964) (decanter wine container); *In re Swift & Co.*, 223 F.2d 950 (C.C.P.A. 1955) (polka dot bands on packaging); *Fotomat Corp.* v. *Ace Corp.*, 208 U.S.P.Q. 92 (S.D. Calif. 1980) (building design of photo-finishing store). So long as the feature is of a type that may be perceived by purchasers to identify the source of a product, it may be protected as a trademark. See,

[5] See *William R. Warner & Co.* v. *Eli Lilly & Co.*, 265 U.S. 526, 528 (1924) ("A name which is merely descriptive of the ingredients, qualities or characteristics of an article of trade cannot be appropriated as a trademark and the exclusive use of it afforded legal protection."); *Scandinavia Belting Co.* v. *Asbestos & Rubber Works of America, Inc.*, 257 F. 937, 946, 957 (2d Cir.) (referring to protection of "technical trade-marks"), cert. denied, 250 U.S. 644 (1919). See also *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1119 (Fed. Cir. 1985). See generally Milton Handler & Charles Pickett, *Trade-Marks and Trade Names—An Analysis and Synthesis: I*, 30 Colum. L. Rev. 168, 169-170 (1930).

e.g., In re Clarke, 17 U.S.P.Q.2d 1238 (T.T.A.B. 1990) (fragrance registered as trademark of sewing thread and embroidery yarn); *In re General Electric Broadcasting Co.*, 199 U.S.P.Q. 560 (T.T.A.B. 1978) (discussing registration of sound as service mark for radio broadcasting services).[6]

2. Section 2 of the Lanham Act confirms the broad scope of the definition of "trademark" in Section 45. It provides that "[n]o trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration * * * *on account of its nature* unless" it falls within five categories of exceptions, none of which includes color per se. 15 U.S.C. 1052 (emphasis added).[7] Thus, "the nature of a mark is no basis for refusing to register it either as a service mark or as a trademark if it performs as an indication of source and does not fall within" the Section 2 exceptions. *General Electric*, 199 U.S.P.Q. at 562.

3. The legislative history of the Lanham Act confirms that Congress intended to eliminate arbitrary restrictions on the types of product features that could be granted trademark protection. The Senate report on the

[6] A number of sounds have been registered as trademarks, including Registration No. 916,522 issued to the National Broadcasting Co.—the familiar NBC chimes. The notes of the NBC chimes—G, E, and C—are the initials of General Electric Corp., which once owned (and now again owns) the network.

[7] Those categories consist primarily of "immoral, deceptive, or scandalous matter," or the like, 15 U.S.C. 1052(a); "the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation," 15 U.S.C. 1052(b); "a name, portrait, or signature identifying a particular living individual except by his written consent," 15 U.S.C. 1052(c); "a mark which so resembles" a registered mark "as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive," 15 U.S.C. 1052(d); and a mark which is "merely descriptive" or "deceptively misdescriptive," 15 U.S.C. 1052(e).

Act explained that Congress's general purpose was "to simplify registration and to make it stronger and more liberal, [and] to *dispense with mere technical prohibitions and arbitrary provisions.*" S. Rep. No. 1333, 79th Cong., 2d Sess. 3 (1946) (emphasis added). In enacting the Lanham Act, Congress determined that "a sound public policy requires that trade-marks should receive nationally the greatest protection that can be given them." *Id.* at 6.

4. Although Sections 45 and 2 of the Lanham Act do not wholly exclude any type of feature from protection as a trademark, they do impose the requirement that a feature must be used as a trademark in order to receive protection. As this Court has explained, "[i]n order to be registered, a mark must be capable of distinguishing the applicant's goods from those of others." *Two Pesos, Inc.* v. *Taco Cabana, Inc.*, 112 S. Ct. 2753, 2757 (1992); see *Park 'N Fly, Inc.* v. *Dollar Park & Fly, Inc.*, 469 U.S. 189, 194 (1985). A mark is thus "distinctive and capable of being protected if it *either* (1) is inherently distinctive *or* (2) has acquired distinctiveness through secondary meaning." *Two Pesos*, 112 S. Ct. at 2758.

A color may not ordinarily receive trademark protection on the ground that it is "inherently distinctive." As this Court explained in *Two Pesos*, "inherently distinctive" marks are those whose "intrinsic nature[s] serve[] to identify a particular source of a product," and they are usually categorized as "suggestive," "arbitrary," or "fanciful." 112 S. Ct. at 2757. A color is ordinarily applied to a product, however, not to identify its source, but to provide ornamentation; since it therefore ordinarily does not function as a trademark at all, it may not be said to be inherently suggestive, arbitrary, or fanciful. Rather, it is protectible only if it "has acquired distinctiveness through secondary meaning." *Two Pesos*, 112 S. Ct. at 2758. See 15 U.S.C. 1052(f).[8]

[8] In the case of "descriptive" marks, Section 2(e) of the Lanham Act specifically permits refusal of registration, unless they can satisfy the "distinctiveness"—or secondary meaning—requirement of Section 2(f). Colors, like other ornamental features of a product, are not "descriptive" of the product. Nonetheless, because such features are not "inherently distinctive," their treatment is similar to that of "descriptive" features: it cannot be concluded that the mark functions as a trademark unless a showing of distinctiveness has been made. See, *e.g.*, *Owens-Corning*, 774 F.2d at 1124-1125 (sustaining registration of pink color for fiberglass insulation); *Vuitton et Fils S.A.* v. *J. Young Enterprises*, 644 F.2d 769, 774 (9th Cir. 1981) (sustaining registration for overall design applied to luggage as a source indicator); *Swift & Co.*, 223 F.2d at 953 (holding polka dot banding was "an artistic and unique design or pattern which may be constituted a trademark 'device' within the meaning of [the Lanham Act]").

"To establish secondary meaning, a manufacturer must show that, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself." *Inwood Laboratories, Inc.* v. *Ives Laboratories, Inc.*, 456 U.S. 844, 851 n.11 (1982). In many cases, the "primary significance" of a color will not be "to identify the source of the product," and the color will accordingly not be subject to trademark protection.

The question whether a color applied to a particular article has secondary meaning, however, is generally an empirical one to be decided on the basis of the facts of a given case. In *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (1985), for example, the Federal Circuit noted that the producer of the insulation had featured the pink color of its insulation in its very extensive advertising campaigns and had shown, through a customer survey, that 40-50% of male homeowners (to whom the insulation was marketed) identified the producer as the manufacturer of pink insulation. *Id.* at 1126-1127. The court concluded that the "totality of the evidence" established secondary meaning. *Id.* at 1128.

The same conclusion follows from the district court's factual findings in this case. The district court found that

petitioner had extensively advertised the green-gold color of its press pads, that some customers order the press pads over the telephone by color, and that other manufacturers had used other colors. Pet. App. 17a-18a. The district court also found that survey evidence showed that 39% of those questioned identified petitioner as the manufacturer when shown a green-gold press pad, that none named respondent, and that "[n]umerous" people who participated in the survey stated that they identified the press pad as petitioner's because of its "color." Pet. App. 21a. The district court's conclusion that that evidence is sufficient to establish that the green-gold color had acquired secondary meaning was not clearly erroneous.

5. Aside from the statutory definition in Section 45 and the exclusions of Section 2, there is another restriction on the circumstances under which a feature of a product may be protected as a trademark: A "functional" feature of a product is not susceptible of trademark protection. See, *e.g.*, *Two Pesos*, 112 S. Ct. at 2758 (trade dress); *Textron, Inc.* v. *United States Int'l Trade Comm'n*, 753 F.2d 1019, 1024 (Fed. Cir. 1985). The functionality doctrine derives from recognition of the "fundamental right to compete through imitation of a competitor's product." *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1336 (C.C.P.A. 1982). That right may be "*temporarily* denied by the patent or copyright laws," *ibid.*, but perpetual protection of a functional product feature through trademark protection would defeat that right altogether. Thus, although the trademark laws protect symbols which identify the source of particular goods, a trademark may not be used to limit competitors' ability to copy features that render goods more useful.[9]

[9] Careful application of the functionality doctrine and the requirement of secondary meaning is required to obviate the concern

a. This Court has explained that, "[i]n general terms, a product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." *Inwood Laboratories*, 456 U.S. at 850 n.10. There are a number of circumstances in which color per se would have such a functional quality, and thus would not be eligible for trademark protection. For example, if there is a limited range of colors that may be applied to an article—*i.e.*, if there is a danger of "color depletion," see Pet. App. 7a—competing firms and new producers would require the availability of those colors in order to participate in the market, and it would be reasonable to view those colors as "essential to the use or purpose of the article." *Inwood Laboratories*, 456 U.S. at 850 n.10.[10] Similarly, if the use of one or more colors would make production of the product less expensive or the resulting product function better, or if the application of one or more colors could make the article more marketable to consumers than would the application of others, the color or colors would have a functional quality, and trademark protection would be precluded.[11] The fact that trademark rights are renewable every ten years in perpetuity, see 15 U.S.C. 1059(a), emphasizes

that registration of color as a trademark could otherwise frustrate the pro-competitive policies of the Lanham Act and the antitrust laws.

[10] See *Diamond Match Co.* v. *Saginaw Match Co.*, 142 F. 727, 729 (6th Cir.) ("The primary colors, even adding black and white, are but few. If two of these colors can be appropriated for one brand of tipped matches, it will not take long to appropriate the rest."), cert. denied, 203 U.S. 589 (1906); cf. *In re Bose Corp.*, 772 F.2d 866, 872 (Fed. Cir. 1985) (no trademark protection where a "feature asserted to give a product distinctiveness is the best, or at least one, of a few superior designs for its * * * purpose").

[11] Cf. *William R. Warner & Co.*, 265 U.S. at 531 (party has no exclusive rights to brown color of quinine preparation, because it arose from addition of chocolate, which made preparation more palatable).

the necessity for competitors and potential competitors to have access to the color.

This Court has addressed analogous issues regarding depletion of available trade dress features in *Two Pesos, Inc.* v. *Taco Cabana, Inc., supra.* In that case, the Court held that the owner of inherently distinctive trade dress is not required to show that the trade dress has acquired distinctiveness. Petitioner argued that such a showing should be made, because the initial user of the trade dress could otherwise cut off competition from products of similar designs and shapes. The Court relied on functionality considerations in rejecting that argument:

> Only nonfunctional, distinctive trade dress is protected under § 43(a) [of the Lanham Act, 15 U.S.C. 1125(a)]. The Fifth Circuit holds that a design is legally functional, and thus unprotectable, if it is one of a limited number of equally efficient options available to competitors and free competition would be unduly hindered by according the design trademark protection. *This serves to assure that competition will not be stifled by the exhaustion of a limited number of trade dresses.*

112 S. Ct. at 2760-2761 (emphasis added; citation omitted).

In *Brunswick Corp.* v. *British Seagull Limited*, Nos. 94-1049 & 94-1050 (Sept. 14, 1994), the Federal Circuit recently held that a manufacturer of outboard marine engines may not register the color black as a trademark. The court noted that "[t]he color black * * * does not make the engines function better as engines" or "affect [their] mechanical purpose." Slip op. 7. But the color black "exhibits both color compatibility with a wide variety of boat colors and ability to make objects appear smaller." *Ibid.* Because of those "advantages for potential customers," the color was properly found to be functional and hence not subject to protection as a trademark. *Ibid.* Cf. *Keene Corp.* v. *Paraflex Indus., Inc.*, 653 F.2d 822 (3d Cir. 1981) (shape of wall-mounted lighting fixture held functional because of compatibility with building style); *Deere & Co.* v. *Farmhand, Inc.*, 560 F. Supp. 85 (S.D. Iowa 1982) (color green may not be common law trademark because consumers wanted farm equipment to match), aff'd, 721 F.2d 253 (8th Cir. 1983).

b. There are circumstances, however, in which there is little danger that recognition of trademark rights would cause color depletion. In those circumstances, if the color serves no other functional purpose, there is no basis for refusal to recognize the producer's trademark rights in the color. Indeed, recognition of trademark rights in that context can serve a pro-competitive purpose. As the Senate report on the Lanham Act explained:

> Trade-marks * * * are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from the other. Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates. To protect trade-marks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not.

S. Rep. No. 1333, *supra*, at 4. See also *Park 'N Fly*, 469 U.S. at 198.

In *Owens-Corning*, the Federal Circuit accordingly recognized that trademark protection could be granted because the use of color at issue was non-functional. 774 F.2d at 1122. In that case, the manufacturer dyed its fiberglass insulation pink, which is "a color different from that which it has as a result of the manufacturing proc-

ess," and promoted that identifying feature for many years. *Ibid.* The type of insulation involved "ordinarily has a light yellow-white coloring." *Ibid.* In its customary use, insulation is hidden inside a wall, and its ornamental properties would not be expected to be of substantial significance to consumers. The Federal Circuit held that, in those circumstances, the color "has no utilitarian purpose, does not deprive competitors of any reasonable right or competitive need, and is not barred from registration on the basis of functionality." *Ibid.*

In light of the district court's findings, the same conclusion follows in this case. The district court found that the "natural color" of the materials in petitioner's press pad is "yellowed off-white." Pet. App. 22a. The non-primary "[g]reen-gold color dye * * * does not make the press pad perform better," it "does not affect the quality of the goods one way or another," and it "does not make the press pad last longer." *Ibid.* Although "[t]here is a competitive need in the press pad industry for color," other colors are "equally usable," and the "range of tones of available distinctive suitable colors * * * is in the hundreds, if not thousands." *Ibid.* Petitioner's green-gold color is accordingly not barred from recognition as a trademark on the ground of functionality.

6. Based on the district court's findings, the color of petitioner's press pads thus satisfies the statutory prerequisites for recognition as a protectible trademark. The color is a "symbol" or "device." By virtue of its secondary meaning, it has acquired the ability "to identify and distinguish" petitioner's press pads "from those manufactured or sold by others" and "to indicate the source of the goods." 15 U.S.C. 1127. It is not precluded by any of the specific exclusions of Section 2 of the Lanham Act. As used in press pads, the green-gold color is non-functional. Accordingly, applying ordinary principles of trademark law, the district court correctly concluded that petitioner's trademark in the green-gold press pads was valid. Pet. App. 23a.

B. The Ninth Circuit's Policy Concerns Do Not Warrant Complete Exclusion Of Color From Trademark Protection

The Ninth Circuit did not dispute any of the district court's factual findings. The court of appeals remarked that "[r]egistration of mere color is not explicitly barred by the Lanham Act," and that color "is not listed" as "one of the specific exceptions to registrability" in Section 2 of the Lanham Act, 15 U.S.C. 1052. Pet. App. 5a. Indeed, the court relied on most of the district court's factual findings in ruling that respondent had violated Section 43(a) of the Lanham Act, 15 U.S.C. 1125(a), by infringing on petitioner's trade dress. See Pet. App. 10a-14a. The court of appeals nevertheless held petitioner's trademark invalid because "the better rule is that a trademark should not be registered for color alone." Pet. App. 7a. The court erred in reaching that conclusion.

1. The court of appeals based its conclusion in part on the "color depletion" theory. Pet. App. 7a. According to that theory, permitting the protection of colors could injure competition, by deterring new entrants if and when all available colors became divided up among current market participants.[12]

Regardless of whether they have permitted or denied trademark protection for color per se, every court that has considered the matter has agreed with the court of appeals in this case that color depletion is a genuine concern. See, *e.g.*, *Master Distributors, Inc.* v. *Pako Corp.*,

[12] The color depletion argument apparently assumes that if an applicant receives a registration for a color, it could subsequently stop use of any shade of that color or combination with that color. A color mark, however, would not ordinarily be entitled to such broad protection. See *In re Amsted Indus.*, 972 F.2d 1326, 1327 (Fed. Cir. 1992) (trademark consisting of orange encapsulated wire rope not confusingly similar to "bare" wire rope containing an orange strand or orange and black strands). Indeed, affording a needlessly broad scope of protection would be incompatible with the pro-competitive policies of the antitrust and trademark laws.

986 F.2d 219, 223 (8th Cir. 1993); *NutraSweet Co.* v. *Stadt Corp.*, 917 F.2d 1024, 1027-1028 (7th Cir. 1990), cert. denied, 499 U.S. 983 (1991); *Owens-Corning*, 774 F.2d at 1120. As we explain above, however, the threats to competition posed by depletion do not exist in every case, and, based on the district court's findings, they do not appear to exist in this case. See p. 16, *supra*. Cases in which color depletion is a threat can be addressed under a careful application of traditional trademark principles by requiring those who seek trademark protection for a color to demonstrate secondary meaning and—of particular importance—to demonstrate that the color is non-functional.[13] There is no need, and no basis in law, for the creation of a blanket, extra-statutory prohibition of trademark protection for color in order to deal with the threat of color depletion in particular cases.

2. The Ninth Circuit also based its rule against trademark protection for color on the problem of "shade confusion." Pet. App. 7a. Presumably, the Ninth Circuit was concerned that sellers would have difficulty determining when use of a particular shade infringed the trademark of another firm that had rights in a similar shade, and that courts would have difficulty resolving infringement litigation over use of similar shades.

In order to show infringement under ordinary trademark principles, the owner of the mark must establish that the alleged infringer's use of the mark "is likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. 1114(1)(a) and (b). Although it has been said

[13] See *Brunswick*, slip op. 9 ("While disavowing in *Owens-Corning* the color depletion theory as a per se rule, this court nevertheless recognized its applicability in appropriate circumstances."); *Master Distributors*, 986 F.2d at 223 (noting that "allowing a manufacturer to monopolize red 'in all of its shades' would deplete the color choices available," but recognizing that trademark protection for particular shades may be appropriate); *Owens-Corning*, 774 F.2d at 1120 (color depletion "not faulted for appropriate application," but no basis for precluding trademark registration of color in particular case).

that likelihood of confusion "is necessarily a subjective determination," *In re Electrolyte Laboratories, Inc.*, 929 F.2d 645, 647 (Fed. Cir. 1990), courts have made use of a number of devices, including survey evidence[14] and evidence of actual confusion by customers or potential customers,[15] to determine whether there is a "likelihood of confusion" in a variety of circumstances. There is no reason why issues regarding "shade confusion" would be more difficult to determine than the likelihood of confusion in cases involving traditional non-color trademarks. *Owens-Corning*, 774 F.2d at 1123; *Master Distributors*, 986 F.2d at 222.

Indeed, regardless of how this case is decided, courts must resolve problems at least as difficult as the problem of when a particular use of a color creates a likelihood of confusion with an existing color trademark. As the Ninth Circuit acknowledged, it has long been recognized that color is subject to trademark protection when it is "combined in distinctive patterns or designs or combined in distinctive logos." Pet. App. 7a. See also *NutraSweet*, 917 F.2d at 1027; *A. Leschen & Sons Rope Co.* v. *Broderick & Bascom Rope Co.*, 201 U.S. 166, 171 (1906) (color "[d]oubtless" may constitute a valid trademark "if it be impressed in a particular design"). When infringement of such trademarks is alleged, the court must determine not only how the shade of color in the allegedly infringing product compares with the mark, but also how significant the similarity of color is in light of

[14] See, *e.g.*, *Mutual of Omaha Ins. Co.* v. *Novak*, 836 F.2d 397, 400-401 (8th Cir. 1987), cert. denied, 488 U.S. 933 (1988); *Piper Aircraft Corp.* v. *Wag-Aero, Inc.*, 741 F.2d 925, 935 (7th Cir. 1984); *Exxon Corp.* v. *Texas Motor Exchange of Houston, Inc.*, 628 F.2d 500, 506-507 (5th Cir. 1980); *Standard Oil Co.* v. *Standard Oil Co.*, 252 F.2d 65, 74-76 (10th Cir. 1958); *McDonald's Corp.* v. *McBagel's, Inc.*, 649 F. Supp. 1268, 1277-1278 (S.D.N.Y. 1986).

[15] See, *e.g.*, *AmBrit, Inc.* v. *Kraft, Inc.*, 812 F.2d 1531, 1543-1544 (11th Cir. 1986), cert. denied, 481 U.S. 1041 (1987); *World Carpets, Inc.* v. *Dick Littrell's New World Carpets*, 438 F.2d 482, 489 (5th Cir. 1971); *Harold F. Ritchie, Inc.* v. *Chesebrough-Pond's, Inc.*, 281 F.2d 755, 761-762 (2d Cir. 1960).

the overall similarity of design. That endeavor is at least as difficult as addressing "shade confusion" in the case of purely color trademarks. The difficulty of determining when infringement occurs thus provides no basis for excluding protection for color per se when the other prerequisites for trademark protection are satisfied.

3. In deciding that color alone may not be protected as a trademark, the Ninth Circuit also relied on the proposition that "further protection is afforded [for such color marks] by the Lanham Act's unfair competition provisions." Pet. App. 8a.

That protection is, of course, also generally available, and its availability does not justify artificially constricting the scope of protection under the Act's trademark provisions. Moreover, protection against unfair competition under Secton 43(a) of the Lanham Act, 15 U.S.C. 1125(a), is not equivalent to the protection afforded a registered trademark. Unlike trademark protection, Section 43(a) does not give a party the ability to stop the importation of confusingly similar goods by Customs, see 15 U.S.C. 1124; does not give constructive notice of ownership, 15 U.S.C. 1072; does not provide for prima facie evidence of validity and ownership, 15 U.S.C. 1057(b); and does not provide for incontestable status, 15 U.S.C. 1065. Trademark registration thus affords an applicant significant rights not otherwise available under other provisions of the Lanham Act, or under the law generally. Those rights should not be denied based on a per se rule that prohibits registration based on the nature of the mark, where neither the statute nor compelling policy reasons support such a denial.

4. Finally, the Ninth Circuit commented that "the courts of appeals generally have refused to grant trademark protection for color alone." Pet. App. 5a. In recent decisions, the courts of appeals have been gradually abandoning the refusal to permit trademark protection for color alone. The Eighth and Federal Circuits have both recognized that, in appropriate cases, color may be protected as a trademark. See *Owens-Corning*, 774 F.2d at 1123; *Master Distributors*, 986 F.2d at 223. But it is nonetheless true that courts have historically been reluctant to recognize trademark protection for color alone. In our view, that reluctance was based on an interpretation of trademark statutes that were superseded by the Lanham Act and by recent amendments to that Act that have confirmed Congress's intent to permit broad trademark protection for any product feature—including color—that qualifies.

Prior to the Lanham Act, the leading case concerning whether trademark protection could be afforded to color alone was *A. Leschen & Sons Rope Co.* v. *Broderick & Bascom Rope Co.*, 201 U.S. 166 (1906). That case arose from an infringement action by the owner of a registered trademark consisting of a wire rope that included a "distinctively colored streak." *Id.* at 170. The Court held that the trademark was invalid because it was not limited to a streak of some specified color, but instead included a streak of *any* distinctive color. *Id.* at 171. But the Court also commented that "[w]hether mere color can constitute a trade-mark may admit of doubt." *Ibid.*[16] In succeeding years, lower courts frequently cited that statement as support for the proposition that mere color cannot constitute a trademark. See, *e.g.*, *In re Security Engineering Co.*, 113 F.2d 494, 496 (C.C.P.A. 1940) (refusing registration for blue-and-aluminum color for oil well reamers); *In re General Petroleum Corp.*, 49 F.2d 966, 968 (C.C.P.A. 1931) (refusing trademark protection for the color violet for gasoline).

This Court's decision in *Leschen Rope* in 1906 predated the Lanham Act by 40 years. The trademark stat-

[16] The Court also stated that "[c]ertainly a trade-mark could not be claimed of a rope, the entire surface of which was colored." 201 U.S. at 170-171. In context, however, that statement appears not to refer to an attempt to obtain trademark protection for a rope of a *particular* color, but to an attempt to obtain trademark protection for a rope of *any* color.

ute in 1906 did not provide a definition of the term "trademark." See Trade Mark Act of 1905, ch. 592, 33 Stat. 724, 15 U.S.C. 81 *et seq.* (repealed); *Philco Corp. v. Phillips Mfg. Co.*, 133 F.2d 663, 669 (7th Cir. 1943). Courts therefore applied the common law understanding of the term, under which only "technical" trademarks—*i.e.*, trademarks that contained no descriptive content at all—could be protected. Most marks that were descriptive could not be registered despite their acquisition of secondary meaning. See note 5, *supra.*

In 1946, the Lanham Act changed the legal landscape substantially. The Act included a new, very broad definition of "trademark," as well as a specific prohibition—qualified only by exceptions not applicable here—on refusing registration "on account of [the] nature" of a mark. Ch. 540, §§ 2, 45, 60 Stat. 428, 443. See pp. 6-9, *supra.* As discussed above, the Lanham Act's provisions were designed "to dispense with mere technical prohibitions and arbitrary provisions." S. Rep. No. 1333, *supra,* at 3. Accordingly, the Act superseded prior common law doctrines that limited the categories of product features that could receive trademark protection.

Congress confirmed the principle that any product feature that can satisfy the requirements of the trademark laws can receive trademark protection when it reenacted and amended the Lanham Act in 1988. Trademark Law Revision Act of 1988, Pub. L. No. 100-667, Tit. I, 102 Stat. 3935. Three years previously, the Federal Circuit in *Owens-Corning* had affirmed the ruling of the Trademark Trial and Appeal Board (TTAB) that a color may be protected as a trademark, a ruling that received wide attention in the legal community.[17] The Senate

[17] See, *e.g.*, Janet R. Hubbard, Note, *Think Pink! Color Can Be A Trademark,* 43 Wash. & Lee L. Rev. 1433 (1986); Lawrence D. Grewach, Recent Case, In re Owens-Corning Fiberglas Corp.: *The Federal Circuit Puts Owens-Corning "In the Pink"*, 35 Am. U. L. Rev. 1221 (1986); Brian Richard Henry, *Right Hat, Wrong Peg: In re Owens-Corning Fiberglas Corporation and the Demise of the Mere Color Rule,* 76 Trademark Rep. 389 (1986).

report accompanying the legislation stated that "[t]he revised definition [of 'trademark'] intentionally retains * * * the words 'symbol or device' *so as not to preclude the registration of colors,* shapes, sounds or configurations where they function as trademarks." S. Rep. No. 515, 100th Cong., 2d Sess. 44 (1988) (emphasis added).

The terms and legislative history of the Lanham Act and the 1988 amendments thus make clear that Congress intended to eliminate previous arbitrary restrictions on the types of product features that can receive trademark protection. There is no longer any basis in the statute to exclude color per se from trademark protection. The Ninth Circuit's adherence to an extra-statutory restriction is no longer justifiable.

C. If This Court Finds The Statute Ambiguous Or Silent On The Subject, Deference Should Be Given To The PTO's Interpretation Of The Lanham Act

As we argue above, the Lanham Act unambiguously permits trademark protection for color alone, where other appropriate legal requirements for trademark protection are satisfied. Even if the Act were ambiguous or simply failed to speak to the issue, however, it would be appropriate to defer to the PTO's construction of it. Since at least 1984, the PTO has interpreted the Lanham Act to permit trademark protection for color alone. Because that interpretation is, at the very least, a permissible one, the Ninth Circuit should have deferred to it and recognized the validity of petitioner's trademark.

1. "Judicial deference to reasonable interpretations by an agency of a statute that it administers is a dominant, well settled principle of federal law." *National Railroad Passenger Corp.* v. *Boston & Maine Corp.*, 112 S. Ct. 1394, 1401 (1992). This Court explained in *National Railroad Passenger Corp.* that

> when a court is reviewing an agency decision based on a statutory interpretation, "if the statute is silent or ambiguous with respect to the specific issue, the question for the court is whether the agency's answer is based on a permissible construction of the statute." *Chevron U.S.A.* [*Inc.* v. *Natural Resources Defense Council, Inc.*, 467 U.S. 837, 843 (1984)]. If the agency interpretation is not in conflict with the plain language of the statute, deference is due. *K Mart Corp.* [v. *Cartier, Inc.*, 486 U.S. 281, 292 (1988)].

Ibid.

Because the PTO administers the Lanham Act, its construction of the Act is entitled to deference. Congress has delegated authority to the Commissioner of Patents and Trademarks to examine trademarks and to determine their registrability. 15 U.S.C. 1062. When the Commissioner issues a registration, the "certificate of registration of a mark upon the principal register provided by th[e] [Act] shall be prima facie evidence of the validity of the registered mark." 15 U.S.C. 1057(b). Under Section 15 of the Lanham Act, 15 U.S.C. 1065, the right of a registrant to use a registered trademark becomes incontestable, with certain exceptions, after the mark has been in continuous use for five consecutive years after registration. See generally *Park 'N Fly, Inc.* v. *Dollar Park & Fly, Inc.*, *supra*. The PTO occupies a similar role with respect to the Lanham Act as that of other agencies that have been granted deference in construing statutes entrusted to them to administer. See, *e.g.*, *Northwest Airlines, Inc.* v. *County of Kent*, 114 S. Ct. 855, 863 (1994) (Secretary of Transportation); *National Railroad Passenger Corp.*, 112 S. Ct. at 1398, 1401 (Interstate Commerce Commission); *Lechmere, Inc.* v. *NLRB*, 112 S. Ct. 841, 847 (1992) (NLRB). Thus, deference is due to the PTO's construction of the Lanham Act. See *Eastman Kodak Co.* v. *Bell & Howell Document Mgmt. Prods. Co.*, 994 F.2d 1569 (Fed. Cir. 1993) (applying *Chevron* analysis to the

TTAB's interpretation of the Lanham Act in other than a rule-making context).

2. Historically, the PTO maintained that color applied in an arbitrary pattern to goods or packaging for goods, as distinguished from overall product color, could be registered as a trademark. It was thought, however, that color per se was not registrable. See, *e.g.*, *In re Ritchie Mfg. Co.*, 170 U.S.P.Q. 291, 292 (T.T.A.B. 1971); *In re Shaw*, 184 U.S.P.Q. 253, 255 (T.T.A.B. 1974). As trade practices progressed, the PTO's view on the registrability of color per se also evolved. In *Owens-Corning*, the TTAB concluded that there is no absolute ban on registering overall color as a trademark.[18] *In re Owens-Corning Fiberglas Corp.*, 221 U.S.P.Q. 1195, 1198 (T.T.A.B. 1984). The Board also expressly rejected the color depletion argument, stating:

> In considering the weakness of the "color depletion" theory * * * we are not so much impressed by the idea that there are many shades of color that might function as trademarks as we are by the notion that the color depletion argument is premised on a competitive need that may not exist. Thus, in a case where there is no competitive need (whether characterized as "aesthetic" or otherwise) for colors to remain available to all competitors, the color depletion argument is an unreasonable restriction on the acquisition of trademark rights.

Ibid.[19] On appeal, the Federal Circuit agreed, stating that "[t]he Board's conclusion that there is no inherent bar to

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[18] The TTAB includes a number of specified PTO officials, including the Commissioner. 15 U.S.C. 1067. A party dissatisfied with the decision of the Board may take an appeal to the Federal Circuit or file a civil action in a district court. 15 U.S.C. 1071.

[19] In a portion of its decision later overturned by the Federal Circuit, see 774 F.2d at 1124-1128, the TTAB found that Owens-Corning had introduced insufficient evidence that the color pink,

trademark registration of the color of goods, when the color is an overall color rather than in the form of a design, is in harmony with modern trademark theory and jurisprudence." *Owens-Corning*, 774 F.2d at 1118.

In the intervening period, the PTO has clearly set forth its trademark examination policy regarding the registrability of color marks:

> [C]olor can function as a trademark if it is used on the goods in the manner of a trademark and if it is perceived by the purchasing public as identifying and distinguishing the goods on which it is used and indicating their source.

Trademark Manual of Examining Procedure § 1202.04(e), at 1202-13 (2d ed. 1993). However, "registration is refused irrespective of any showing of acquired distinctiveness if there is a competitive need for colors to remain available in the industry" or "[i]f the proposed mark identifies a color which is functional," such that it "serves a utilitarian purpose or yields a utilitarian or functional advantage." *Ibid.*

The PTO has consistently applied its policy in determining registrability of color per se. See, *e.g.*, *Cooper Indus., Inc.* v. *Channellock, Inc.*, 788 F. Supp. 873, 877 (W.D. Pa. 1992) (denying summary judgment seeking cancellation of registration for blue applied to hand tools); *Edward Weck Inc.* v. *IM Inc.*, 17 U.S.P.Q.2d 1142, 1145 (T.T.A.B. 1990) (holding that "[t]here is no inherent bar to trademark registration of the overall color of goods," but denying registration of green applied to surgical instruments for lack of acquired distinctiveness); *In re Eagle Fence Rentals, Inc.*, 231 U.S.P.Q. 228, 230-231 (T.T.A.B. 1986) (granting registration of alternately colored wire strands arranged vertically in chain-link fencing on the basis that color functioned as ornamentation which is registrable absent functionality upon a showing of acquired distinctiveness).

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as applied to its insulation, had acquired distinctiveness. 221 U.S.P.Q. at 1199.

3. In the instant case, the Ninth Circuit recognized that a statutory presumption of validity is accorded to a certificate of registration under the Lanham Act, 15 U.S.C. 1057(b). But the Ninth Circuit failed to accord any deference to the PTO's determination that petitioner's mark is registrable or to its interpretation of the Lanham Act. Rather, the Ninth Circuit chose to substitute what it believed to be "the better rule" for the PTO's statutory interpretation. In doing so, the Ninth Circuit failed to give due deference to the expertise of the PTO.

CONCLUSION

The judgment of the Ninth Circuit on petitioner's trademark claims should be reversed, and the case should be remanded for further proceedings.

Respectfully submitted.

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